

Caravan

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Washington gone haywire?

Tommy Payne discusses devoting RJR's time and resources to speaking out and engaging the American people in the public-policy debate affecting the tobacco industry.

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EXECUTIVE INTERVIEW

Tommy Payne discusses the proposed tobacco-tax bills

Editor's Note: The following is an interview with Tommy Payne, RJR senior vice president of external relations. Payne joined the company in 1988 as a manager in government relations. In 1989, he was promoted to director of federal government affairs. Payne was named vice president of federal government affairs in 1995 before taking his current position in January of this year.

Q: What are your goals for the external relations department in 1998?

A: I have several goals for the external relations department in 1998. First, it is our responsibility to keep RJR employees informed about the components of the proposed tobacco-tax bills and what our company is doing to fight them. It is very important that every Reynolds Tobacco employee be involved in this process. Currently, we're setting up phonebanks and letter-writing campaigns to get

the word out about these bills. It is up to each one of us to talk to people across the country and to let them know how the proposed tax bills would affect not only the tobacco industry, but also the American people.

Second, we need to educate people about why the proposed tobacco-tax bills and other legislation before Congress are destructive for our company and not supported by the majority of Americans. We are planning to devote much of our time and resources to speaking out and engaging the American people in the public-policy debate affecting our industry. Our country has some serious decisions to make about tobacco products. Therefore, RJR is going to ask customers, tobacco farmers, retailers and wholesalers, suppliers, as well as people outside the tobacco industry to join us in this debate. Just as Steve Goldstone said in his speech of a few weeks ago, we believe that "the American people will bring some wisdom and common sense back to these issues."

In addition to continuing RJR's youth non-smoking program "Right Decisions Right Now" and our other community efforts, the department is working on a long-term project that involves telling the public about Reynolds Tobacco. When you look at how the U.S. political and societal climate has changed over the last year, it is important for us to step out and

talk to the public about RJR — giving a sense of who we are and what we are. An example is the recent press release inviting President Clinton to Winston-Salem to learn for himself the values and responsibilities our 9,700 employees bring to work each day. We need to tell people about our company's philosophy and how employees go about implementing a set of core values in everything they do. My goal is to create a voice for RJR. Instead, the public reads newspaper articles that claim this industry "markets to children" and "manipulates nicotine." The American people need to know that is inaccurate — it's not what we do when we come to work here everyday.

Q: What are the challenges of the external relations department?

A: Our immediate challenge is to ensure that RJR's voice is heard when it needs to be heard.

The "demonization" of the industry by the media and anti-tobacco foes has intensified tremendously. Most people do not judge the industry by its actions. The public is constantly exposed to media sound bites by our critics. They form opinions based on the negative images painted by the media. It's unfortunate that the tobacco industry is then judged on those images, rather than by our actions. That perspective is very detrimental to us.

Therefore, the external relations



Tommy Payne

department must become more proactive in its communications. RJR is finished debating the past. It's time to talk about implementing a workable, national policy on tobacco for the future.

Q: What were the benefits of the June 20th tobacco resolution agreement?

A: There were three key benefits of the June 20th agreement. First, it was an agreement that established a total regulatory regime for the tobacco industry. Although the regulations may have been difficult for the tobacco industry to accept, they would have given our company a measure of predictability.

Second, the resolution effectively addressed the issue of underage smoking. As you know, RJR does not market to children. But, we all have concerns regarding the use of tobacco products by kids. With the resolution, the industry stood ready to pay huge sums of money annually for programs to help reduce underage smoking.

Third, it provided for the settlement of the majority of our litigation and established an acceptable framework for future litigation.

Q: Would you share your views on the proposed tax bills before Congress?

A: Yes, it's very simple. These proposed bills are prohibition in the form of a tax and the greed of government at its worst. The Federal government makes more money per pack of cigarettes than the tobacco industry and yet they want more. Really, it's the same old song and dance — tax and spend. The government wants to destroy our industry and we have to do everything possible to ensure that doesn't happen.

Q: Where do you see the tobacco industry in the future?

A: Fighting these proposed tax bills and legislation is one of the toughest challenges that our company has ever faced. But by working together to engage the American people in a public debate about tobacco issues, big government and even bigger taxes, I believe that RJR can make people realize that these tax bills are not good for the tobacco industry or the country.

But as we fight for our company and our industry, we can't lose sight of our responsibility to RJR. We must continue to manage our business and compete as effectively as possible in the marketplace. ■



THE Who pays? PROPOSED What happens? TAX BILL Who is responsible?

Who pays?

- The proposed tax bill before Congress hits 47 million American adults who choose to smoke — the majority of whom are lower- to middle income people and the least able to pay such a huge increase.
- More than half the taxes will be paid by people making less than \$30,000 a year.
- The average smoker will pay \$1,700 per year in cigarette taxes.

What happens?

- The price of cigarettes will rise from about \$2-per-pack to about \$5-per-pack at the retail level. Washington wants the public to think the increase will only be \$1.10 per pack. But to cover overhead and other costs, Washington will need to push up the price to at least \$3-per-pack to get the sum they want.
- Huge taxes alone won't reduce youth smoking. According to data from the U.S. Centers for Disease Control, 11 of the 13 states that raised tobacco taxes in the early 1990s experienced an increase in

youth smoking in the years that followed.

- Greater taxes would create a huge contraband market in tobacco products, with unregulated access to kids.
- Nearly two million-American jobs will be affected by the legislation currently pending in Congress.
- Seventeen new bureaucracies will emerge in Washington.
- Taxes will be used to finance tax cuts for wealthy Americans and pay for new federal spending programs.

Who is responsible?

The government

- Who should teach children right from wrong? Big government or parents?
- Should the government control what adults can see? Should the government decide that the colors on a cigarette pack are too dangerous to be seen in a convenience or grocery store?
- There is something fundamentally wrong with the government deciding to tax a product out of reach of adult consumers because Washington "knows what's good for you."

Adult smokers

- It's about freedom of choice. This debate needs to be about whether adult Americans can be allowed to make their own decisions in their own lives.
- Ninety-eight percent of cigarettes sold are smoked by individuals of legal age. Only 2 percent are smoked by minors. This bill would tax ninety-eight percent in an effort to influence 2 percent.
- It's an adult right to buy a product fully aware of its risks, without the government telling individuals they can't because Washington doesn't want kids to have the same product.

The tobacco industry

- There are only three ways to go on tobacco: prohibition with a nightmarish contraband market; government monopoly; or private enterprise. If private enterprise is a path the tobacco industry pursues, Washington needs a solution that attacks youth smoking while preserving the legitimate rights of adults to purchase tobacco products. ■

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It takes two to settle

By Jonathan Rauch,
national correspondent for *National Journal*
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So the tobacco lobby has decided it would rather fight than switch. On Wednesday, RJR Nabisco announced that it would no longer take part in Congressional efforts to draft tough new tobacco legislation, and would oppose a bill by Senator John McCain, the Arizona Republican, that enjoys bipartisan support. The other big companies quickly lined up behind RJR. Good for them. Making Big Tobacco seem like a sympathetic victim takes some doing, but Congress has managed it.

It's true that tobacco companies are no more benign than the product they produce, as mounting evidence shows. The companies' duty, however, is to their shareholders and customers. The Government and the anti-smoking lobby must recognize that fundamental fact, and make reasonable demands. In its zeal to reduce smoking — and, not at all incidentally, to raise billions of dollars in new tax money — Congress has overreached.

The story began as a negotiation between the companies and state attorneys general. The resulting agreement, announced last June, gave the tobacco industry immunity from class-action lawsuits in exchange for almost \$370 billion over 25 years in new cigarette taxes and various other anti-smoking measures.

The agreement had its flaws. For smokers, it was both regressive and punitive. Cigarette taxes hit the poor hardest, and smokers already more than pay for the social costs of their habit (including, by the way, the state health-care costs that the attorneys general originally sued to recover). But the deal was, at least, a deal.

What the Senate did is something else again. Congress wanted tougher terms, which it was entitled to seek. But it effectively shut the industry out of the negotiations of those terms. Instead, the Senate and the industry's antagonists set out to impose a settlement, which is, of course, no settlement at all.

The result would increase cigarette taxes by a whopping \$516 billion over 25 years, but without offering tobacco companies shelter from liability. That double whammy, the industry argued plausibly, might result in the bankruptcy of one or more companies — a result that many activists would welcome.

Moreover, what little legal shelter the Senate provided (an annual cap on liability payments) would be removed if the companies filed a constitutional challenge to tough restrictions on tobacco advertising. In effect, the industry would be fined for asserting its free-speech rights.

Congress is under no obligation to be generous to Big Tobacco. But it should treat even unpopular businesses fairly. Article I, Section 9, of the Constitution forbids Congress from passing "Bills of attainder," meaning laws punishing specific individuals who have not been found guilty in any court.

What Congress proposed to do to the tobacco industry was, roughly speaking, a corporate bill of attainder: a punitive measure taken against a few companies and intended not only to regulate the industry's future behavior but to make it pay for its past sins as well. You don't have to be Thomas Jefferson to foresee trouble when politicians and activists conspire to reach deep into the pockets of unpopular companies.

What goes around comes around. The tobacco companies have done more than their share of hardball lobbying, so it's not surprising that their opponents should be tempted to push too far when at last the tables have been turned.

But the temptation needs to be resisted. First, there will be no tobacco deal unless the industry can live with it. Second, the anti-smoking movement risks its moral capital if it gets too self-righteous. In California, a ban on smoking in bars has sparked something of a grass-roots rebellion. Now, in Washington, the anti-smoking movement is putting vindictiveness ahead of results. □

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Employees spin spokes



Several employees from RJR's research and development department ride together regularly on bike paths at local parks. The number of cyclists riding with the group has grown over the past year. Wearing their helmets and brightly-colored cycling gear, the group takes a short spin down Reynolds Boulevard.

Some R.J. Reynolds Tobacco Co. employees ride bicycles for competition, others ride to keep in shape, while others ride just for fun or for a change-of-pace way to commute to work. Alone, with their children or in groups, RJR employees across the company are keeping their spokes spinning regularly.

Dennis Watson of operations finance rides four days a week, 12 months a year, riding indoors on a stationary trainer in bad weather. He racks up about 2,500 miles a year.

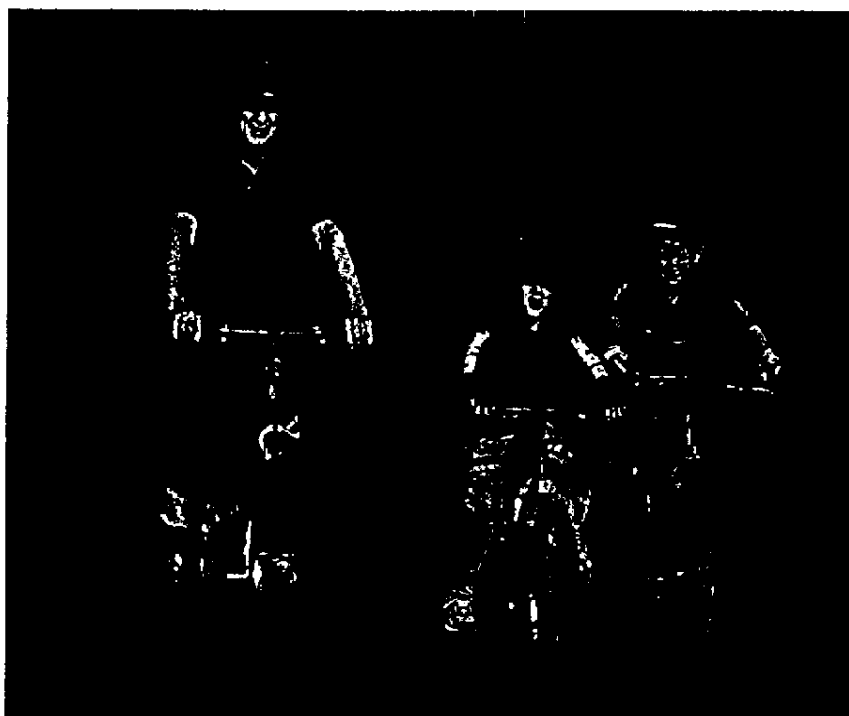
Tom Rucker of RJR's law department sometimes commutes to work on his bike. Rucker says, "I feel refreshed when I arrive at the office and ready for whatever the day has in store for me."

Others, like operations employees Paul Flemming and Mike Hudspeth, ride around the perimeter of Tobaccoville at midnight — after completing their jobs on the second shift. Flemming says, "In the summer, it's a great break from the plant's heat, and it's time I can use to unwind from my shift." Others who ride out at Tobaccoville include Joe Lefeavers, Ken Owens, Scott Poindexter and Mark Snow.

At R&D, Diane Roberts organized a group to ride after work on the Salem Lake trail. Roberts says, "There's about 16 of us who ride together just for fun and support. We cheer each other on."

Gary Byrd, also of R&D, is an active member in a local cycling club, The Piedmont Flyers. "The group is

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Ralph Nixon, a mechanical instructor at RJR's operations technical training, rides regularly with his sons Josh, 6 years old, and Zach, 8 years old. In addition to bike riding, the Nixons stay active as a family enjoying soccer, basketball, go-carting and T-ball.

open to cyclists of all levels of experience," Byrd says.

Marketing's Michelle Soyars rides whenever she can, often with her husband. Soyars and RJR Packaging employee Debbie Crofts recently teamed up to compete in the "Biathlon at Tanglewood" — a race combining cycling and running. Soyars completed the 25-mile bike portion of the event, and Crofts ran the 10K. They placed "First Female Team."

For many of RJR's bike riders, spending quality time with their family is the sport's attraction. Ralph Nixon of operations technical training and his two sons ride in their neighborhood regularly. Nixon says, "Bike riding provides me a way to get caught up with my kids." ■



Tom Rucker of RJR's law department sometimes commutes to work on his bike. Despite the rush-hour traffic, Rucker says he enjoys his commute much more when it's by bike.



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Dennis Watson, who has ridden in competitions such as the famous "Ironman" race, has served as the safety director for the Multiple Sclerosis Tour de Tanglewood for five years. "While riding outdoors, I fell once from my bike with enough force to split my helmet. After that incident, I became a bike-safety advocate."

Trade-direct marketing program

Unique program
bolsters partnerships,
gains outstanding results

How to hit a home run in trade-direct marketing: design a unique retail-specific direct-marketing program. And that's just what R.J. Reynolds Tobacco Co. can boast — a program that is achieving outstanding results.

National Manager of Trade Direct Marketing Khurshed "K" Wadia created this innovative trade-direct marketing program that gives RJR's retail and trade customers a way to reach adult smokers with special offers.

Wadia and his team design retail-specific direct-marketing pieces for several retail chains, which are sent to adult smokers in the geographic areas around specific stores.

Vice President of Retail and Wholesale Marketing Bryan Stockdale, says, "Our trade-direct marketing team has built a program that creates a point-of-difference in driving foot traffic for our retail partners. The program has proven to be of great help in further building RJR's reputation and credibility as 'The Business Advisor' with our accounts."



RJR's trade-direct marketing team (from left) Nikki Lail, "K" Wadia and Dick Luongo review a new direct-mail piece for one of RJR's accounts.

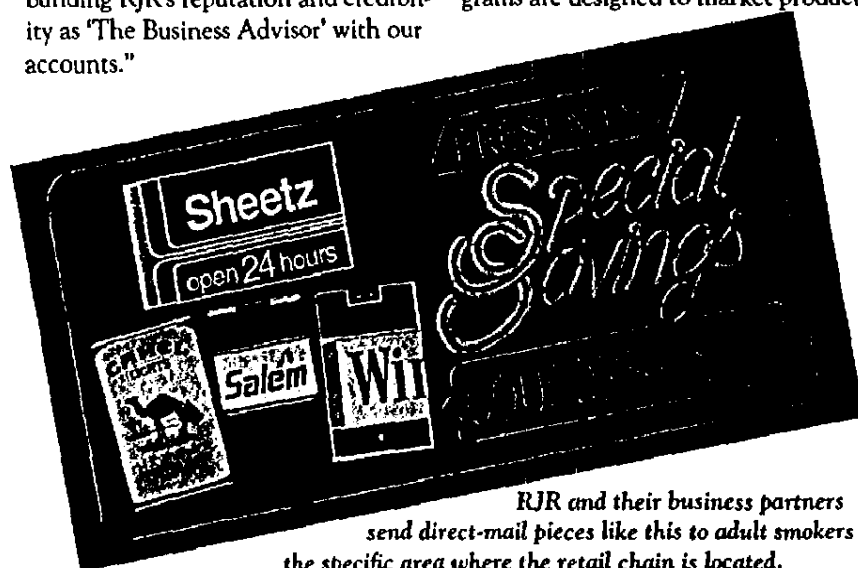
The key to this program, Wadia explains, is properly leveraging RJR's database-marketing expertise and the retailing strengths of our partner chains. "We have purposely kept the program flexible," Wadia says. "We want to make sure that the objectives of both our company and retail partners are met. While most programs are designed to market products

through the retailer, our program is designed to market with the retailer, creating a win-win situation for both of us."

Louis Sheetz, executive vice president of Sheetz Convenience Stores, agrees. "Our company loves the program. We see the chance to participate as one of the best benefits for our 200 stores in our partnership with Reynolds Tobacco."

Through RJR's database information, retailers like Sheetz can also gain a greater understanding of their customers' purchase patterns and behavior.

Wadia says that his department members, Dick Luongo and Nikki Lail, play a crucial role in the success of this program, along with the support and teamwork from other RJR departments including: field sales, database-marketing support, marketing and sales support, information resources and finance. ■



RJR and their business partners
send direct-mail pieces like this to adult smokers in
the specific area where the retail chain is located.

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Farewell to a legend



Bob Wilmesher, Senior Vice President - Sales, and Area Vice President - Northeast Sales Area Dave Wilmesher. Wilmesher says, "Bob has been a pleasure to work with over the years — he's always uplifting and positive. His dedication to RJR was unquestionable; we'll all miss him greatly." ■

The RJR program includes three types of recognition:

- Individual, performance-objective awards for performance of overall job accountabilities;
- Immediate incentives called "On the Spot Awards," for the excellent work of those who go beyond the call of duty and;
- Larger awards for efforts that change the course of business in the region.

At the end of the year, the "Most Valuable Player" is chosen based on who has won a recognition award in the past year. "Quarter Ender" team awards are given quarterly to the combined sales and retail division with the greatest share-of-market increase from the previous quarter. Certificates for the awards are presented in front of all division employees at quarterly division meetings. Quarter-ender results are then used to determine the "Division of the Year" award. Other awards include "Rookie of the Year," "Category Advisor," "Team Player" and the prestigious "RJR Award."

"Division managers leave congratulatory messages to the winning field sales and retail representatives on voicemail," says Schmidt. "It's a personal way to thank employees and urge them to continue their good work."

Dave Wilmesher, area vice president — northeast sales area, says, "Peter's program is impactful because it gives immediate recognition through 'On the Spot' awards, builds positive competition from division to division and promotes teamwork within the region. The real plus to the program is the additional recognition winners receive in front of their peers at the annual regional-sales meeting."

Schmidt says, "To me, the best thing about the program is that it soon becomes a way of life in the region. It inspires winning — not just for the sales and retail reps, but also for R.J. Reynolds Tobacco Company." ■

PITTSBURGH REGION

Program unlocks sales force success

Peter Schmidt, RJR regional sales manager of the Pittsburgh region, has found a key to unlocking potential success for the retail and sales representatives in his region. How? By creating a results-driven, immediate-reward employee recognition program.

Schmidt says, "The reaction to the awards program has been excellent.

I feel it instills a lot of pride in our sales organization. Through this program, our managers have been able to recognize not just the home runs, but also the singles and doubles."

Schmidt started the program in his region three years ago — basing it on a similar program that had been started by one of his local accounts.

brand update

Salem ... Salem's "It's Not What You Expect" ad campaign remains in test market in New York City and Long Island and reports that the repositioning efforts are beginning to work. According to the Salem-marketing team:

- Adult smokers have rated the product as superior to Newport;
- Research results have indicated that adult-competitive smokers have begun to change their perceptions of the brand and are switching to Salem;
- And, Salem's purchase levels and share of market are improving. ■

Doral ... Doral's brand team reports that it has updated the brand's packaging. The new packaging builds on the strength of the current pack — giving an updated appearance and higher-quality look.

Along with the introduction of Doral's new packaging, the brand is planning the "Big American Sweepstakes." The sweepstakes winner will go on a 9-day, 8-night trip which includes stops at Graceland, the Grand Canyon and a Doral Celebration in Atlanta, Ga. The brand says that the event will emphasize the launch of the new packaging, while advancing Doral's positioning in the cigarette marketplace.

Look for more information on Doral in the June issue of *Caravan*. ■

Winston ... In celebration of NASCAR Winston Cup's 50th anniversary, the Winston brand has developed the No Bull 5 — the richest single-season bonus program in Winston Cup racing history. The program offers drivers \$5 million, with possible \$1 million payouts at five Winston Cup races during the year. The next No Bull 5 race will be The Coca Cola 600 in Charlotte, N.C., on May 24. ■

Camel ... Camel reports that its event marketing programs — a functional element of Camel's total marketing plan — are gearing up for the summer months. The programs, which include the Camel Pro Billiards Series, Camel Roadhouse and others, all contribute to the total equity of the brand, while providing an opportunity to interact one-on-one with both adult franchise and competitive smokers. According to research, these programs have enabled Camel to grow share and convert competitive-adult smokers. ■

Eclipse ... Eclipse reports that an effort on behalf of R&D is underway to make significant improvements in the product's lightability and taste.

Eclipse continues its limited marketing efforts in Atlanta, Ga., Lincoln, Neb., and Chattanooga, Tenn., and says that adult smokers are interested in a cigarette with 80 percent less second-hand smoke and no lingering odor. ■

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Call for more information on all the new information available. All submissions will be considered for publication in a future issue of *Caravan*. ■

people

SERVICE AWARDS

35 YEARS - APRIL

Charles B. Higgins
Whitaker Park making and packing

Roy W. Hudspeth
No. 200 foil production

30 YEARS - MARCH

Lynn C. Armstrong
Disbursements accounting

Carl A. Boles
No. 603 G-7 production

L.W. Giddens
Purchasing

William R. Grimes
Brook Cove office

Ronnie A. Slate
Tobaccoville making and packing

Sidney B. Stroud
No. 603 G-7 production

F.A. Weber
Sales

Bernard C. Witherspoon
Shorefair production services

30 YEARS - APRIL

J.C. Bracken
*Tobaccoville casing
and cutting/cut-filler storage*

George A. Canter Jr.
Shorefair primary

Jerry A. Cromer
Tobaccoville making and packing

P.J. Cundari Jr.
Sales

J.J. DeRose
Sales

Samuel L. Dixon
No. 603 G-7 production

Samuel S. Gough
CO2 production

Erling Hansen
Sales

Kenneth J. Harper
Tobaccoville making and packing

Tony G. Henderson
No. 603 processing

John M. Hendrix
Tobaccoville making and packing

G. Wayne Lash
Tobaccoville making and packing

Billy L. Mabe
Whitaker Park primary

Justin W. Martin
Tobaccoville making and packing

Geraldine A. Neal
*Sales and marketing financial
services*

Owen E. Newell Jr.
Whitaker Park making and packing

Donald A. Newton
Process engineering

Bobby L. Phillips
*Manufacturing primary director
general*

C. Phil Quick
Tobaccoville making and packing

W.R. Rouse
Sales

John A. Stephens Jr.
*Tobaccoville primary machinery
and equipment*

James E. Willard Jr.
*Tobaccoville production support
maintenance*

S.M. Willard
Tobaccoville making and packing

25 YEARS - MARCH

Brenda M. Alewine
No. 603 G-7 production

David S. Brinegar
No. 603 G-7 production

Milton Hall
*Central flavoring and adhesives -
flavoring production*

Priscilla M. Jackson
Corporate affairs

J.C. Johnson
Sales

J.M. Piscitelli
Sales

W.F. Sport
Sales

25 YEARS - APRIL

John W. Barkley
Brook Cove Storage

Sylvester Bitting
Davie Storage

Ronald D. Blakely
Trucking general

Russell M. Covington
Forklift maintenance - internal

Jacob H. Hartzog
Brook Cove Storage

Larry R. Haynes
Whitaker Park primary

Barney C. Jones
Tobaccoville maintenance supply

William W. Loggins
Forklift maintenance - internal

Christene P. Martin
Packaging purchasing

T.A. McCarthy
Sales

Norma K. Nilfong
*Compensation and employee
benefits*

G.M. Palmer
Sales

S.J. Renflee
Sales

Michael J. Royal
*Tobaccoville primary electronics
and instruments*

W.F. Tucker
Sales

20 YEARS - MARCH

Ricardo M. Arledge
Sales

Larry W. Bowen
Mechanical perforating

Katey S. Burchette
Brands R&D

Allayne C. Coleman
Whitaker Park process services



C. Higgins - 35



L. Armstrong - 30



C. Boles - 30



J. Bracken - 30



G. Canter Jr. - 30

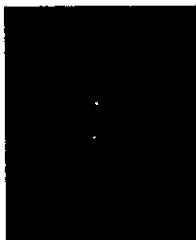


L. Giddens - 30

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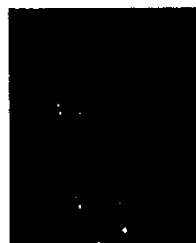
W. Grimes - 30



O. Newell Jr. - 30



D. Newton - 30



B. Phillips - 30



P. Quick - 30



R. Slate - 30

James M. Conner
Brands R&D

Larry W. Coplin
Safety and health

David R. Dameron
Sales

Phillip A. Deal
Product evaluation

Carl D. Dunlap
Tobaccoville utility plant

Bette J. Farnor
Sales

Patricia S. Fulp
Emergency services

Joyce D. Glenn
No. 604 extruders

Johnny L. Gregory
Tobaccoville production support
maintenance

Lillie M. Gwyn
Emergency services

Maxine Jones
No. 603 G-7 production

Phyllis P. Jones
Compensation and employee
benefits

Danny R. Leonard
No. 604 laminators

Eugene F. McCarthy
Security

Kathy B. Nelson
Tobaccoville making and packing

David M. Peele
Avoca Farm

Frank G. Pello
Business strategy and planning

Michael R. Simmons
No. 200 presses and cutters

Martha A. Stinson
No. 604 ink room

20 YEARS - APRIL

W. Eugene Alnsworth Jr.
State government relations

Linda W. Beaver
Travel services

Guy M. Blynn
Law

Sandra S. Cain
Tobaccoville production support
maintenance

Garland J. Caudle
Central supply

Gloria R. Freeman
R&D planning/administration

Gaynelle Martin Hill
Medical

Donald R. Jones
Tobaccoville receiving
and blending

Warren D. Leggett
Leaf operations general

William P. Mangan
R&D planning/administration

Clifton A. Myers
No. 200 roll grinding

Dee S. Purvis
Purchasing

Kay C. Smith
Aviation

Sharon M. Smith
Trucking general

Sheryl F. Spainhour
External relations

E. Lee Swalm
R&D process technology
and development

Judy E. Thompson
R&D planning/administration

Roland L. Wade
Whitaker Park plant production
engineering general

Henry B. Watson Jr.
Contract management

15 YEARS - MARCH

James P. Bechtel
Sales

Charles A. Brintle
Manufacturing making
and packing director general

Harry H. Hicks Jr.
Engineering

Rodolfo A. Lopez
Sales

David T. Parnell
Sales

Doris E. Parr
Sales

Albert W. Rice
Sales

Robert A. Ridge
Sales

James H. Robertson III
Distribution and logistics

Deborah B. Southern
Product development
and assessment

Richard K. Teague
Merry Hill office

Jeffrey T. Tilley
No. 200 roll grinding

Melvin A. Tucker
Sports Marketing Enterprises
general

Jeffrey A. Witter
Sales

Randall L. Wright
Sales

15 YEARS - APRIL

Carl W. Crouse
Tobaccoville making and packing
electrical maintenance

Paschal R. Dobbins
No. 604 plant services, printing

Joseph A. Etherldge
Tobaccoville primary electronics
and instruments

Gray L. Fulk
Tobaccoville production support
maintenance

Thomas D. Guy
Product evaluation

Steven A. Gwilliams
Sales

Robert C. Hayes
Tobaccoville making and packing
electrical maintenance

Wayne N. Hendrix
No. 200 plant services, printing

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James W. Hockins
Sales

Casey D. Huffman
Sales

Gary M. Jackson
Shorefair maintenance general

Larry B. Kiger
Sports Marketing Enterprises
general

Thomas E. King
Tobaccoville making and packing
electrical maintenance

William L. Lane
Shorefair general

R.R. McPherson
Process engineering

Raymond G. Nilfong
Operations/manufacturing
support systems

W. Michael Paul
Sales

Lloyd J. Scales
Engineering - packaging

Garland W. Stack
Process engineering

Richard A. Tanchyk
Sales

Bruce B. Thompson
Tobaccoville primary electronics
and instruments

Michael F. Tricocci
Sales

Tommy R. Weller
Sales

Eddie R. White
No. 200 plant services, printing

James L. Whitt Jr.
Tobaccoville production support
maintenance

Dennis R. Will
Tobaccoville making and packing
electrical maintenance

Mark W. Wilson
Tobaccoville making and packing
electrical maintenance

10 YEARS - MARCH

David W. Bomblick
Product evaluation

Deborah B. Bratton
Consumer relations

Wanda W. Brintle
Customer/production planning
services - external

Stephen K. Cole
Product development
and assessment

Renee M. Duszynski
Sales

Gregory A. Holmes
Making engineering

Wilbur R. Jones
Tobaccoville maintenance
general

Kim A. Nathan
Sales

Kathy W. Pardue
Information technology project
management

Donald L. Robertson
Purchasing

Nancy W. Ross
Sales/marketing support systems

Jimmy W. Sellers
Personal computing - LAN
services

Jeffrey W. Shoaf
Promotions operations - Cold
Storage

James C. Vernon
Sales/marketing support systems

Ellie C. Welborn
Purchasing

Susan G. Westervelt
Tobaccoville primary electronics
and instruments

10 YEARS - APRIL

Ronald W. Ashley
External sales development

Kathryn P. Branch
Human resources systems
and business development

Gary L. Branon
Purchasing

Kathryn M. Bullings
Manufacturing financial services

James C. Gaskin
Sales

Lenin R. Gonzalez Jr.
Sales

Claudia J. Huff
Sales

Ann A. Johnston
Human resources

Richard W. Joyce
Operations/manufacturing
support systems

Bryon T. Quast
Sales

E. Kenan Whitehurst
Sales and marketing financial
services

5 YEARS - MARCH

Hazel R. Britton
Sales

Juan J. Dominguez
Sales

Michael S. Draughn
Operations/manufacturing
support systems

George C. Petree Jr.
Tax

Brent M. Sabo
Sales

James E. Swauger
Health and environmental
services

Martha J. Waller
RCFCU administration

John G. Williams
Commercial laminating

5 YEARS - APRIL

**Subhransusekhar
Choudhury**
Operations/manufacturing
support systems



B. Witherspoon - 30



C. Martin - 25



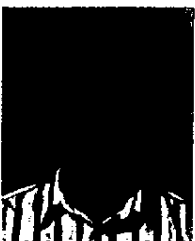
G. Caudle - 20



G. Freeman - 20



K. Nelson - 20



L. Swaim - 20



J. Thompson - 20

Jeanne R. Richey
Sales

Joel A. Seckar
Scientific and regulatory affairs

PROMOTIONS & APPOINTMENTS

BRAND-MEDIA-DIRECT MARKETING

Ronda T. Plummer
to vice president - marketing

COMMUNITY AFFAIRS

Vivian L. Turner
to director - contributions and community affairs

EXTERNAL RELATIONS

Maura Payne Ellis
to vice president - communications

Tommy J. Payne
to senior vice president - external relations

Jan D. Sheppard
to director - creative services

FEDERAL GOVERNMENT AFFAIRS - WASHINGTON

John H. Fish
to director - federal government affairs

FINANCE AND TREASURY

John S. Peddycord
to manager - coupon processing control

Jamesine T. Ruff
to manager - customer services

David C. Williams
to manager - customer services support

HUMAN RESOURCES

Nancy T. Leamon
to senior human resources administrator

Susan C. Newsome
to manager - Capital Investment Plan

Mark A. Rodgman
to senior manager - organization development and training

INFORMATION RESOURCES

Melissa C. Adams
to manager - information technology asset management

Christine R. Crater
to systems development manager

MANUFACTURING ENGINEERING

Gerald W. Fowler
to section leader supply

Renee S. Grubbs
to section leader supply

PRODUCTION OPERATIONS PLANNING

Steven M. Norman
to manager - production planning export

PUBLIC AFFAIRS

Carolyn G. Brinkley
to public affairs programs manager

Jo Ann J. Robinson
to public affairs representative

PUBLIC ISSUES

Randolph C. Tompson
to director - legislative support

PUBLIC RELATIONS

Stacy L. Darnall
to senior administrative assistant

Twyna R. Hook
to senior administrative assistant

John W. Singleton Jr.
to director - corporate communications

Janis F. Smith
to senior director - public relations

PURCHASING AND SUPPORT SERVICES

Tracy S. Smith
to buyer

Alfred White
to financial manager - purchasing and support services

QUALITY ASSURANCE

Cindi C. Davis
to division manager - quality assurance technical services

RCFCU

Sherry W. Antone
to manager - collections and bankruptcy - RCFCU

Janet W. Bottoms
to customer services assistant - RCFCU

R. Perry Crutchfield
to manager - special services and call center - RCFCU

Vicky M. Denny
to call center manager - RCFCU

Renee L. Hall
to senior teller - RCFCU

Michelle W. Kenney
to member products assistant - RCFCU

Michael R. Knight
to director - retail operations - RCFCU

Anne L. Morgan
to manager - check services and ATM - RCFCU

Patsy Lynne Payne
to director - mortgage operations - RCFCU

Charles W. Pruett
to vice president and chief financial officer - RCFCU

Jerry L. Sneed
to senior LAN administrator - RCFCU

Jeanette L. Snyder
to customer services assistant - RCFCU

Elizabeth D. Sprinkle
to member products assistant - RCFCU

RESEARCH AND DEVELOPMENT

Barbara W. Arzonlco
to R&D technologist II

Randall A. Hoots
to R&D technologist III

Patrick M. Lippello
to principal scientist

51851 7910

James Paul
to R&D technologist III

Richard C. Reich
to senior staff R&D
scientist

RJR PACKAGING

Eric L. Gross
to engineer III – sales
packaging

Avis L. Latimer
to production manager

William J. Moss
to assistant extruder operator

Kenneth R. Nelson
to laminating/coating
operator

Jackie S. Taylor
to laminating/coating helper

Tony M. Tedder
to slitter operator –
packaging

Jeffrey M. Tucker
to laminating/coating helper

SALES

LouAnn F. Alese
to division sales manager –
Nassau, N.Y., division

Steven D. Come
to key account manager –
Raleigh, N.C., chain
division

Mark B. Donnelly
to division sales manager –
Omaha, Neb., division

Thomas Richard Hendrick
to account manager – field
sales – Pittsburgh, Pa., chain
division

M.C. Kennedy
to region operations
manager, Denver, Colo.,
region operations

Francis L. Maras
to retail manager – field
sales – East Chicago, Ill.,
division

Scott D. Payne
to division sales manager –
North Pittsburgh, Pa.,
division

Diane E. Reuter
to account manager – field
sales – New York, N.Y.,
chain division

Christian B. Riess
to retail manager – field
sales – South Jersey, N.J.,
division

Tyrone L. Sampson
to region business manager
– Philadelphia, Pa., region

Todd E. Sanders
to retail manager – field
sales – Alexandria, Va.,
division

Wythe J. Shockley
to retail manager – field
sales – Norfolk, Va.,
division

Scott G. Steen
to region sales manager –
Winston-Salem, N.C.,
region

W.F. Tucker
to director – human
resources sales/marketing

Eric D. Venooker
to division sales manager –
Harrisburg, Pa., division

SALES/MARKETING FINANCIAL SERVICES

Gaye L. Peck
to financial services manager

SALES/MARKETING PERSONNEL

Sharon S. Cordell
to manager – sales/marketing
training

SHOREFAIR QUALITY CONTROL

James R. Stone
to engineering
technologist III

John R. Womble
to quality assurance
technologist II

SPORTS MARKETING

Curtis A. Gray
to director – Sports Marketing

STATE GOVERNMENT RELATIONS

Joseph S. Murray III
to senior director – state
government relations

Michael W. Phillips
to regional director – state
government relations

RETIREMENTS

Earl L. Burton
Whitaker Park making
and packing, 33 years

S.J. Carey Jr.
Field sales, 30 years

Carlos D. Childress
Plant No. 604, 29 years

Shirley J. Flippen
Plant No. 604, 17 years

C.R. Fulp
Cigarette manufacturing,
31 years

Charline S. Galloway
Cigarette manufacturing,
31 years

David R. Greenwood
Plant No. 604, 28 years

Marion E. Hall
Whitaker Park making
and packing, 30 years

Ronald E. King
Plant No. 200, 28 years

Richard P. Mabe
Plant No. 200, 32 years

Larry W. Marshall
Plant No. 200, 37 years

Mary M. Samuels
Whitaker Park making
and packing, 31 years

Roger L. Turney
Plant No. 200, 32 years

Delores J. Wall
Tobaccolville making
and packing, 31 years

Roger D. Watson
No. 603 Whitaker Park,
30 years

Brenda K. Webb
Plant No. 200, 24 years

Barbara C. Yates
Cigarette manufacturing,
21 years

Roseanne W. Ziegler
Field sales, 12 years

EASTER FUN

RJR employees help area kids at Bethlehem Community Center

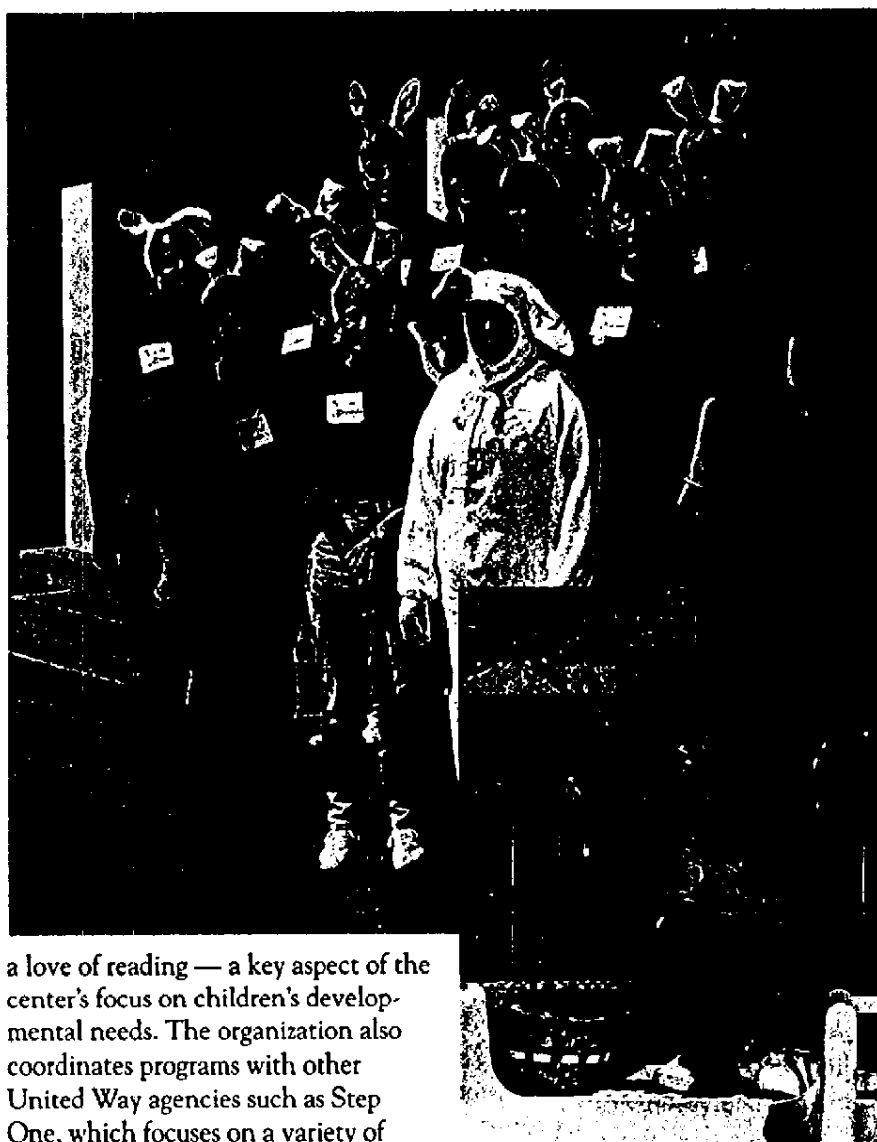
Employees of RJR's law compliss department recently organized an Easter-egg hunt for children of the Bethlehem Community Center. Thirteen volunteers from the department, including the Easter Bunny — played by Debbie Stanley — provided children with baskets, candy and other refreshments. The Bethlehem Center — a United Way agency — was established in 1927 to promote and encourage "improvement in the community and its people."

"Over the years, our department has pulled together to help a variety of organizations — there's a good team spirit," says Project Leader Betsy Nance, RJR quality assurance coordinator. "We enjoy helping children, and because the Bethlehem Community Center is an important part of our community, the group felt it was a great agency to support."

In addition to providing before-and after-school care, the center offers a comprehensive summer enrichment program for children from kindergarten through age 12. Through the center, children are introduced to basic life skills and encouraged to form

a love of reading — a key aspect of the center's focus on children's developmental needs. The organization also coordinates programs with other United Way agencies such as Step One, which focuses on a variety of areas including increasing self-esteem and resolving conflict.

For more information about Bethlehem Community Center or how to volunteer, call 722-6264. ■



An Easter-egg hunt — organized by volunteers of RJR's law compliss department — brought smiles to the children of Bethlehem Community Center.

Caravan

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